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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/681,815	06/11/2001	David Lefkowitz	200-1462 DBK	6881

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EXAMINER

DURAN, ARTHUR D

ART UNIT PAPER NUMBER

3622

DATE MAILED: 10/12/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/681,815

Applicant(s)

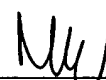
LEFKOWITH, DAVID

Examiner

Arthur Duran

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 June 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>3, 4</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-23 have been examined.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-4, 6-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. These claims are rejected under 35 U.S.C. 101 because these claims have no connection to the technological arts. The method claims do not specify how the claims utilize any technological arts. For example, no network or server is specified. To overcome this rejection, the Examiner recommends that the Applicant amend the claim to specify or to better clarify that the method is utilizing a medium or apparatus, etc within the technological arts. Appropriate correction is required.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The

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phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in

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affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the current application, no technological art (i.e., computer, network, server) is being utilized by claims 1-4, 6-12. The method steps of claims 1-4, 6-12 can be performed without the utilization of the technological arts. A method step in the body of the claims must utilize the technological arts. Appropriate correction is required.

Claim Rejections - 35 USC § 112

3. Claim 11, 12, 22, 23 recites the limitation leasing or renting an automobile to the customer. These claims are dependent upon independent claims 1, 13. However, claims 1, 13 disclose that the automobile has been sold to the customer. It is not possible to lease or rent the automobile after the automobile has already been sold. Claim 1, 13 should have stated something like, providing an automobile to a customer wherein the automobile is sold. Then, the dependent claims could state different ways of providing the automobile. However, as the claims are currently stated, there is insufficient antecedent basis for this limitation in the claim. Correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person

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having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claim 1, 3, 6-10, 13, 15, 18-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (5,537,314) in view of Elsmann (6,029,102).

Claim 1, 13: Kanter discloses a method, system for providing rebates to automobile owners based on purchases made at participating retailer locations, the method comprising: selling an item to a customer (col 16, lines 42-52) wherein the customer is provided with a customer identification badge containing a plurality of customer information (col 20, lines 50-57; col 17, lines 53-63); retrieving the customer information stored within the customer identification badge at a point of sale (col 16, lines 42-52); transmitting point of sale purchase information and the customer information to a rebate processing center remote from the point of sale (Fig. 1; col 16, lines 42-52; col 19, lines 18-22); and providing a rebate to the customer wherein the rebate is calculated based on the purchase information (col 16, lines 42-52).

Kanter does not explicitly disclose that the identification card is given to the user when the user is sold an automobile.

However, Elsmann discloses providing an identification card at time of selling an automobile that includes user identifying information and can be utilized at time of future purchases (col 4, lines 5-15).

Elsmann further discloses the utilization of a smartcard with memory (col 2, line 64-col 3, line 5; Fig. 2).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Elsmann's card provided at automobile purchase to Kanter's card

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provided when making a purchase at a sponsoring company location. One would have been motivated to do this in order to allow Kanter's method to be utilized with sponsoring companies who are automobile dealers.

Claim 3, 15: Kanter and Elsman disclose the method of claim 1, and Kanter further discloses that the customer identification badge comprises a magnetically encoded wallet card (col 17, lines 53-60).

Claim 6: Kanter and Elsman disclose the method of claim 1, and Kanter further discloses that the rebate comprises a check mailed to the customer at quarterly annual time intervals (col 16, lines 47-52; col 25, lines 5-15). Furthermore, since Kanter states that any periodic time period, such as a month, is possible, it would be obvious that the time period can be quarterly. Quarterly payments are a convenient option to some users.

Claim 7, 18: Kanter and Elsman disclose the method of claim 1, and Kanter further discloses that the rebate is electronically deposited into a bank account specified by the customer (col 16, lines 47-52).

Claim 8, 19: Kanter and Elsman disclose the method of claim 1, and Kanter further discloses that the purchase information comprises a rebate amount that a participating retailer is willing to pay (col 16, lines 43-65; col 17, lines 60-63).

Claim 9, 20: Kanter and Elsman disclose the method of claim 1, and Kanter further discloses that the retailer provides payment to the rebate processing center to pay for the rebate (Fig. 1; col 19, lines 55-col 20, line 19).

Claim 10, 21: Kanter and Elsman disclose the method of claim 1. Kanter further discloses transmitting the customer information from the sponsoring company/ place where user became a member to the rebate processing center (Fig. 1; item 79).

5. Claims 2, 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (5,537,314) in view of Elsman (6,029,102) in view of Gunn (5,503,434).

Claim 2, 14: Kanter and Elsman disclose the method of claim 1. Kanter does not explicitly disclose that the customer identification badge expires after a predefined time interval.

However, Gunn discloses that the customer identification badge expires after a predefined time interval (Fig. 1).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Gunn's customer identification badge with expiration to Kanter's customer identification badge. One would have been motivated to do this in order to keep track of valid or active memberships.

6. Claims 4, 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (5,537,314) in view of Elsman (6,029,102) in view of Ovadia (5,612,527).

Claim 4, 16: Kanter and Elsman disclose the method of claim 1. Kanter does not explicitly disclose that the customer identification badge comprises a bar code.

However, Ovadia discloses utilizing automobile related identification cards at time of purchase and also the utilization of bar codes and magnetic striping (col 6, lines 10-20).

Ovadia further discloses that the customer identification badge comprises a bar code (col 2, lines 15-20).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Ovadia's customer identification badge with bar code to Kanter's customer identification badge with identification code. One would have been motivated to do this in order to provide a convenient way of identifying the user.

7. Claims 5, 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (5,537,314) in view of Elsman (6,029,102) in view of Bricauld (6,149,466).

Claim 5, 17: Kanter and Elsman disclose the method of claim 1. Kanter does not explicitly disclose that the customer identification badge comprises a persistent memory module having input and output capabilities wherein the module is attached to the automobile.

Kanter further discloses a sponsor providing a wide range of services and that the sponsor can operate in a wide variety of locations (Fig. 1; col 4, lines 39-41).

However, Bricauld (6,149,466) discloses a smartcard whereby the smartcard is attached to the automobile and there is also a module in the automobile for attaching the smartcard too and the smartcard can be utilized for services in the automobile (col 1, lines 17-25; col 1, lines 10-25).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Bricauld's card that can be utilized in an automobile to Kanter's card that can be utilized in a wide variety of locations. One would have been motivated to do this in order to allow flexible utilization of the card.

8. Claims 11, 12, 22, 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (5,537,314) in view of Elsman (6,029,102) in view of Schilling (5,359,182).

Claim 11, 12, 22, 23: Kanter and Elsman disclose the method of claim 1. Kanter nor Elsman explicitly discloses that the automobile is leased or rented to the customer.

However, Schilling discloses the utilization of cards and that automobiles can be rented or leased (Fig. 1; Fig. 2; col 11, lines 21-35).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add automobile renting or leasing to Kanter's sponsoring company whereby the sponsoring company can be Elsman's automobile dealer. One would have been motivated to do this in order to utilize the full services of an automobile dealership such as selling, renting, and leasing automobiles.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Arthur Duran whose telephone number is (703)305-4687. The examiner can normally be reached on Mon- Fri, 7:30-4:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (703)305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

AD

2/12/04

Alta Chen